THE
Dan Smoot Report

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DAN SMOOT

IRRESPONSIBILITY AT ITS WORST

Foreign aid lobbyists have a standard answer when asked how much foreign aid costs U.S. taxpayers: "Only one cent out of each tax dollar." That prefabricated statistic needs to be measured against some facts. Here are some:

Total revenue collected by the federal government since 1946 — two trillion, 420 billion, 700 million dollars

Net cost of foreign aid since 1946 — $199.4 billion

Portion of each tax dollar spent on foreign aid — more than eight cents.

And that tells less than half the story. The $199.4 billion net cost of foreign aid since 1946 covers only the portion of foreign aid that might be called *visible* — the portion that can be identified, measured, and classified as foreign aid. The statistics do not include many vast and continuing expenditures of our money to aid foreign countries. They do not, for example, include more than $60 billion we have spent maintaining our own troops in Europe for the defense of prosperous NATO countries; nor the untallied billions we spent on American troops aiding South Korea during the Korean War; nor the continuing heavy cost of maintaining two combat divisions in South Korea; nor the many billions we have spent on American troops fighting for South Vietnam.

For 20 years, foreign aiders have been routinely and ritualistically saying the cost of foreign aid is so small, in relation to our gross national product, that it has no perceptible effect on our national indebtedness. The truth is that our government borrows and pays interest on what it gives away abroad. The cost of our foreign giveaway equals 53% of our present official national debt. The interest on our national debt costs us $19 billion a year (expected to reach $20 billion next year). Hence, *visible* foreign aid costs us (in addition to the 12-billion-dollars-plus appropriated for it annually) $10 billion a year in interest on the money our government has borrowed to provide the aid.

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It is an incredible program. You have to see it to believe it; and after you see it, you cannot really believe or understand it. The best look at foreign aid is provided each year by Congressman Otto E. Passman, chairman of the Foreign Operations Subcommittee on Appropriations. Below is Mr. Passman's most recent tabulation, published under the heading: TOTAL NET FOREIGN ASSISTANCE TO 123 NATIONS AND 7 TERRITORIES OF THE WORLD, FISCAL YEARS 1946 THROUGH 1970, THE FIVE F FORMULA: FRUSTRATING, FANATICAL, FRIGHTENING, FOOLISH, FACTUAL:

Afghanistan	$375.1 million
Albania	20.4 million
Algeria	186.3 million
Argentina	385.9 million
Australia	601.0 million
Austria	1.116 billion
Barbados	300 thousand
Belgium-Luxembourg	1.737 billion
Bolivia	532.4 million
Botswana	18.6 million
Brazil	2.824 billion
Burundi	7.4 million
Burma	83.4 million
Cambodia	341.3 million
Cameroon	33.3 million
Canada	26.1 million
Central Africa Republic	5.3 million
Ceylon	185.8 million
Chad	9.2 million
Chile	1.377 billion
China, Republic of	4.989 billion
Colombia	1.047 billion
Congo (B)	1.9 million
Congo (K)	440.0 million
Costa Rica	172.9 million
Cuba	43.8 million
Cyprus	22.1 million
Czechoslovakia	189.5 million
Dahomey	12.6 million
Denmark	873.3 million
Dominican Republic	482.5 million
East Germany	800 thousand
Ecuador	277.8 million
El Salvador	131.4 million
Equatorial Guinea	300 thousand
Ethiopia	361.4 million
Finland	21.3 million
France	7.008 billion
Gabon	7.5 million
Gambia	2.6 million
Ghana	277.4 million
Germany/Berlin	3.672 billion
Greece	3.683 billion
Guatemala	347.0 million
Guinea	115.2 million
Guyana	65.1 million
Haiti	110.9 million
Honduras	112.0 million
Hungary	12.4 million
Iceland	65.4 million
India	7.715 billion
Indochina	1.535 billion
Indonesia	1.127 billion
Iran	2.004 billion
Iraq	93.2 million
Ireland	112.9 million
Israel	848.6 million
Italy	5.297 billion
Ivory Coast	68.9 million
Jamaica	74.7 million
Japan	3.388 billion
Jordan	645.0 million
Kenya	67.7 million
Korea	8.104 billion
Kuwait	36.8 million
Laos	1.018 billion
Lebanon	90.6 million
Lesotho	10.4 million
Liberia	226.0 million
Libya	221.7 million
Malagasy Republic	13.8 million
Malawi	26.0 million
Malaysia	78.4 million
Mali	27.9 million
Malta	8.3 million
Mauritania	3.3 million
Mauritius	3.8 million
Mexico	501.5 million
Morocco	710.8 million
Nepal	140.6 million
Netherlands	1.984 billion
New Zealand	63.8 million
Nicaragua	158.7 million
Niger	17.5 million
Nigeria	344.1 million
Norway	1.127 billion
Pakistan	3.637 billion
Panama	226.0 million
Paraguay	121.2 million
Peru	460.6 million
Philippines	1.866 billion
Poland	446.4 million
Portugal	467.7 million
Rwanda	7.6 million
Saudi Arabia	71.4 million
Senegal	40.0 million
Sierre Leone	42.6 million
Singapore	37.5 million
Somalia	80.0 million
Southern Rhodesia	1.7 million
Southern Yemen	400 thousand
Spain	1.907 billion
Sudan	92.0 million
Surinam	10.5 million
Swaziland	1.4 million
Sweden	144.7 million
Syrian Arab Republic	56.9 million
Tanzania	69.7 million
Thailand	1.489 billion
Togo	15.9 million
Trinidad-Tobago	52.8 million
Tunisia	646.5 million
Turkey	5.520 billion
Uganda	39.1 million
United Arab Republic	769.0 million
United Kingdom	7.511 billion
USSR	186.4 million
Upper Volta	15.2 million
Uruguay	169.5 million
Venezuela	330.1 million
Vietnam	13.054 billion
Western Samoa	2.1 million
Yemen	42.6 million
Yugoslavia	2.561 billion
Zambia	7.2 million
Bahamas	32.7 million
British Honduras	5.6 million
West Indies	7.8 million
Hong Kong	44.6 million
Ryukyu Islands	406.8 million
Trust Territories in the Pacific	281.3 million
Central Treaty Organization	54.6 million
WORLDWIDE, REGIONAL	16.192 billion

Total Net Disbursements to Foreign Nations, 1946-1970: $131.531 billion

Total Net Interest Paid on What We Have

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Borrowed to Give Away, 1946-1970: $67.858 billion.

GRAND TOTAL COST OF FOREIGN ASSISTANCE, 1946 THROUGH 1970: $199.389 billion.

OF THE 3½ BILLION PEOPLE OF THE WORLD, ALL BUT 36 MILLION HAVE RECEIVED AID FROM THE U.S.

Note that the largest sum in the above listing (16.192 billion) is designated "Worldwide, Regional." This is aid given to groups of nations, generally through international organizations. It is a scandalous way to dispose of our tax money. Congressman H. R. Gross says:

"This is fiscal irresponsibility at its worst, both on the part of the administration and the House of Representatives."

This year, Congressman Otto E. Passman's Subcommittee, examining President Nixon's request for more millions of our money for the Asian Development Bank (ADB), found that ADB still had $313 million on hand after honoring all existing commitments. The subcommittee found that ADB (which is supposed to use our money to help develop poor Asian nations) had invested $96.2 million in private U.S. banks; and it found that ADB had made loans to some of its own staff members.

The president of ADB (one Takeshi Watanabe) would let Congress have no information about this handling of ADB funds. He would not tell how many ADB staff members have obtained loans from the ADB, who they are, what countries they are from, how big the loans are, or what interest they bear. In fact, Takeshi Watanabe would not even give this information to the one American who is on the ADB's 32-member board of directors.

Thirty-two nations are members of the Asian Development Bank. The U.S. provides 40% of the Bank's funds. Citizens of other nations have all the top ADB positions (president, vice president, secretary, treasurer, members of board of governors). The U.S. has one man on the board of directors, and he cannot find out what the ADB does with the hundreds of millions of U.S. tax dollars given to it.

It is the same with all of the many other international agencies — or worse. The International Development Association, for example, has 104 member nations — which means that the U.S. has 1 vote out of 104 on the board of directors, while footing 40% of all the bills.

Yet President Nixon, proclaiming what he calls a sweeping reform to produce a new foreign aid program for the seventies, proposes that we increase foreign aid and channel most of it through international agencies.

SUGGESTION: This is the last of eight consecutive *Reports* dealing with foreign aid. Help inform and activate others by distributing these *Reports*. In particular, send a set to each of your two U. S. Senators and to your U. S. Representative, taking them to task for this incredible giveaway of taxpayers money, and imploring them to stop all foreign aid. Special price for the set of eight *Reports*: $1.00.

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